

AN ACT in relation to vehicles.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The Illinois Vehicle Code is amended by
changing Section 3-205 as follows:

(625 ILCS 5/3-205) (from Ch. 95 1/2, par. 3-205)

Sec. 3-205. Release of security interest.

(a) Within 21 days after receiving payment to satisfy
~~Upon-the-satisfaction-of~~ a security interest in a vehicle for
which the certificate of title is in the possession of the
lienholder, he shall ~~within ten (10) days after demand--and,~~
~~in--any--event,~~ ~~within thirty (30) days,~~ execute a release of
his security interest, and mail or deliver the certificate
and release to the next lienholder named therein, or, if
none, to the owner or any person who delivers to the
lienholder an authorization from the owner to receive the
certificate. If the payment is in the form of cash, a
cashier's check, or a certified check, the number of days is
reduced to 10 business days. If the owner desires a new
certificate reflecting no lien, the certificate and release
from the lienholder may be submitted to the Secretary of
State, along with the prescribed application and required
fee, for issuance of that new certificate.

(b) Within 21 days after receiving payment to satisfy
~~Upon-the-satisfaction-of~~ a security interest in a vehicle for
which the certificate of title is in the possession of a
prior lienholder, the lienholder whose security interest is
satisfied shall ~~within ten (10) days after demand--and,~~ ~~in--any~~
~~event,~~ ~~within thirty (30) days~~ execute a release and deliver
the release to the owner or any person who delivers to the
lienholder an authorization from the owner to receive it. If

the payment is in the form of cash, a cashier's check, or a certified check, the number of days is reduced to 10 business days. The lienholder in possession of the certificate of title may either deliver the certificate to the owner, or the person authorized by him, for delivery to the Secretary of State, or, upon receipt of the release, may mail or may deliver the certificate and release, along with prescribed application and require fee, to the Secretary of State, who shall issue a new certificate.

(c) In addition to any other penalty, a lienholder who fails to execute a release of his or her security interest or who fails to mail or deliver the certificate and release within the time limit provided in subsection (a) or (b) is liable to the person or entity that was supposed to receive the release or certificate for \$150 plus reasonable attorney fees and court costs. An action under this Section may be brought in small claims court or in any other appropriate court.

(Source: P.A. 81-557.)

Section 99. Effective date. This Act takes effect upon becoming law.